



A Period of Dynamic Change in the Delivery of Hospital Care, FYs 1992 to 1999

This is the first in a series of reports that provides an overview of utilization and financial trends of Connecticut's acute care hospitals. This report focuses upon changing patterns in the delivery of care. Others will address rising hospital charges and the primary payers of these hospital costs.

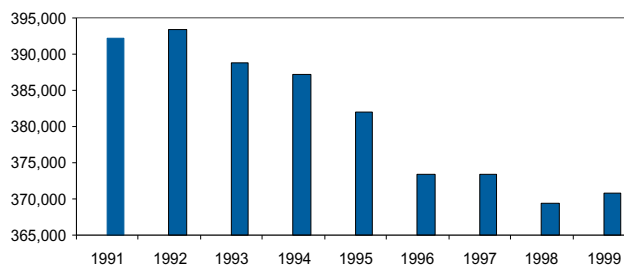
During the 1990s, Connecticut's health care system, and particularly its acute care hospitals, experienced fundamental changes that affected its delivery of health care services including:

- *The Establishment of a More Competitive Health Care Market:* In 1994, the Connecticut General Assembly greatly reduced the state's regulatory control of the health care industry (P.A. 94-9). Subsequently, the federal government removed many restrictions upon medical advertising. Hospitals now compete with freestanding clinics, physician offices, and ambulatory surgery centers.
- *The Spread of Managed Care:* In P.A. 94-9, the state Legislature removed restrictions upon managed care contracts negotiated by providers. From FY 1992 to FY 1998, HMO enrollment doubled to 1.3 million state residents. During that period, the share of total inpatient hospital charges for HMOs and PPOs grew from 15% to 25%.

- *Advancements in Medical Technology:* Progress in the development of new pharmaceuticals, surgical techniques, and medical equipment have not only expanded physicians' ability to cure, they have also shortened treatment times, facilitated the shift to outpatient care, and increased the cost of care.

As a result of these and other changes....

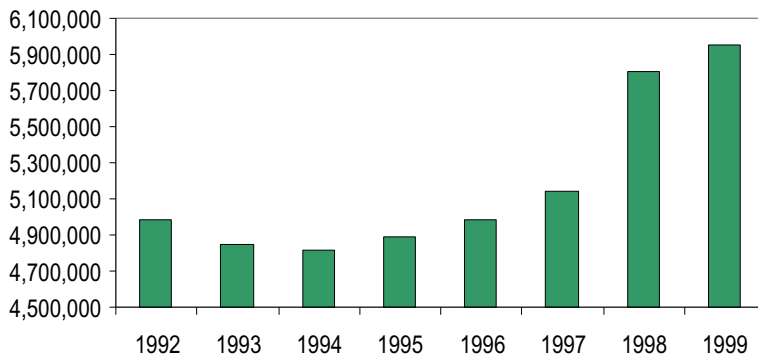
Figure 1: Total Connecticut Inpatient Hospital Discharges FYs 1991 to 1999



Source: CT Office of Health Care Access Inpatient Database.

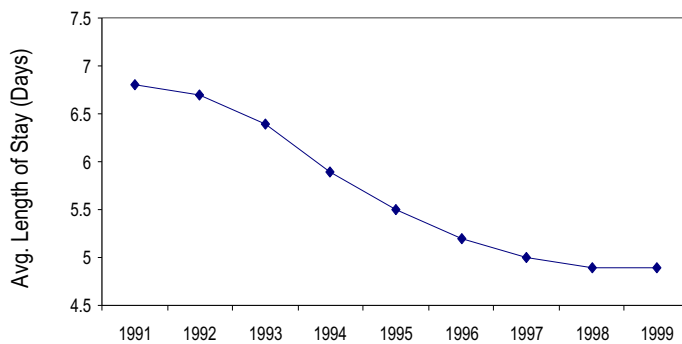
- From FY 1992 to 1999, total inpatient discharges declined by 5.4%. (See Figure 1, above.)
- During this time, Connecticut's rate of hospitalization fell from 120 per 1000 population to 113. After FY 1995, Connecticut's rate was below the national average (118) but slightly above the average for all New England states (114 in FY 1995 and 111 in FY 1998).

Figure 2: Number of Outpatient Visits, FYs 1992 to 1999



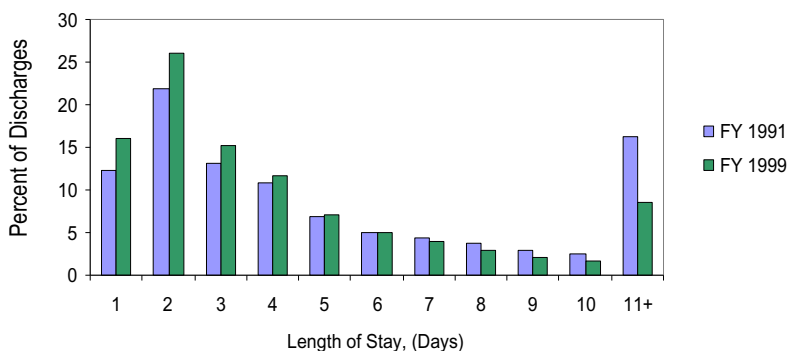
- In contrast, as care has increasingly shifted to an outpatient basis, the total number of outpatient visits leapt by 19% from 4.9 million in FY 1992 to 5.9 million in FY 1999. (See Figure 2, above.)

Figure 3: Declining Inpatient Length of Stay, FYs 1991 to 1999



- From FY 1993 to FY 1999, the median length of stay declined from 6.4 days to 4.9 days, a drop of one and one-half days. (See Figure 3, above.)

Figure 4: Changing Length of Stay, FY 1991 and FY 1999



- In FY 1991, less than half of all patients were discharged within 3 days; by FY 1999 nearly 60% were released by that time. (See Figure 4.)
- In FY 1991, 90% of all patients were discharged within 14 days; by 1999, hospitals discharged 90% within 8 days.

Conclusion

The decline in the length of stay reflects the accelerating shift of care to other settings that characterized the second half of the 1990s. This includes the increased volume of outpatient or ambulatory care clinics. It also encompasses the growth in the number of patients who are discharged to home health care, and the transfer of patients, particularly the elderly and those requiring longer periods of rehabilitation, to other types of care facilities. These facilities include skilled nursing and intermediate care facilities, other hospitals, or other types of health care institutions. From FY 1991 to 1999, the proportion of all patients who were discharged to home health care grew from 6% to 10% and those transferred to other types of care facilities nearly doubled from 7.5% to 14.5%. The delivery of care has experienced profound change. The next report in this series will examine how this change has affected charges for inpatient care.

The hospital fiscal year runs from October 1st through September 30th.